



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
DARRELL V. MCGRAW, JR.
CONSUMER PROTECTION DIVISION
1-800-368-8808 or 304-558-8986

Press Release

September 25, 2003

FOR IMMEDIATE RELEASE CONTACT: Norman Googel
304-558-8986
1-800-368-8808

ATTORNEY GENERAL DARRELL MCGRAW SECURES \$54,000 IN CANCELED DEBTS AND REFUNDS OF UNLAWFUL CHARGES FROM A LOCAL MOVIE RENTAL STORE

Last year Eric Lucas of South Charleston complained to the Attorney General after he learned that Movies & More, a local movie rental store, added an additional fee of \$25 to the \$3 he owed for returning a movie two days late. He discovered the fee when it showed up on his credit report. As a result of the complaint, Attorney General McGraw's Consumer Protection Division investigated and found that hundreds of West Virginia consumers had been charged these fees and been victimized by other unlawful debt collection practices.

Today the Attorney General's office announced settlements with Movies & More of South Charleston, the West Virginia Credit Bureau of Charleston, and its parent company, CBC Companies of Columbus, Ohio, in which the companies agreed to refund \$8,064.04 in unlawful fees they collected from 224 West Virginia consumers and to cancel \$46,625.62 in questionable amounts owed by 806 other West Virginia consumers.

Attorney General McGraw's office found that Movies & More began adding a \$25 "collection fee" on January 1, 2000, to delinquent accounts that it referred for collection to West Virginia Credit Bureau and CBC Companies. Movies & More's owner, John T. Grass III, claimed the collection agency advised him that such fees were lawful.

The records subpoenaed by the Attorney General's office showed that the collection agencies did collect the fees from hundreds of West Virginia consumers, but the collection agencies deny advising Mr. Grass that the fees were lawful. Attorney General McGraw's office also found that Movies & More wrongfully threatened consumers that failure to return rented movies by the promised due date was a "felony" and could subject them to criminal prosecution.

In the agreement with Movies & More, Mr. Grass promised to refrain from adding collection fees onto delinquent accounts and from threatening consumers that failure to return movies on time is a crime. He also promised to forgive more than \$46,000 of alleged past due accounts and to notify credit bureaus to delete such debts from consumers' credit records.

In a separate agreement with the Attorney General's office, West Virginia Credit Bureau and CBC Companies promised to refund the \$8,064.04 that they had collected from 224 West Virginia Movies & More customers. The companies also promised to send letters to 806 West Virginia consumers advising them that the questionable Movies & More accounts have been permanently deleted from their credit records.

Attorney General McGraw explained, "Many companies inadvertently run afoul of the law in their zeal to collect past due accounts. This is no excuse for collection agencies who are required to know and follow the laws of any state in which they collect debts. West Virginia Credit Bureau and CBC Companies should have known that West Virginia law prohibits adding additional fees onto past due accounts owed by consumers. Moreover, professional collection agencies have a duty to make a reasonable inquiry into whether the accounts they collect contain unlawful fees before undertaking collection on behalf of their

clients."

Any persons wishing to file a complaint about a consumer matter or to alert the Attorney General about unfair or deceptive practices may do so by calling the Consumer Protection Hotline, 1-800-368-8808

###